
SENATE BILL 5698

State of Washington

67th Legislature

2022 Regular Session

By Senators Hunt and Keiser

Prefiled 01/06/22.

1 AN ACT Relating to cost-of-living adjustments for plan 1 retirees
2 of the teachers' retirement system and public employees' retirement
3 system; adding a new section to chapter 41.32 RCW; adding a new
4 section to chapter 41.40 RCW; and providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** A new section is added to chapter 41.32
7 RCW to read as follows:

8 (1) Beginning July 1, 2022, and every year thereafter, the
9 department shall determine the following information for each plan 1
10 retired member or beneficiary whose retirement allowance has been in
11 effect for at least one year:

12 (a) The original dollar amount of the retirement allowance as of
13 June 30, 2022, or the effective date of retirement, whichever is
14 later;

15 (b) The index for the calendar year prior to July 1, 2021, or the
16 effective date of the retirement allowance, whichever is later, to be
17 known as "index A";

18 (c) The index for the calendar year prior to the date of
19 determination, to be known as "index B"; and

20 (d) The ratio obtained when index B is divided by index A.

1 (2) The value of the ratio obtained is the annual adjustment to
2 the original retirement allowance and must be applied beginning with
3 the July payment. In no event, however, may the annual adjustment:

4 (a) Produce a retirement allowance which is lower than the
5 original retirement allowance;

6 (b) Exceed three percent in the initial annual adjustment; or

7 (c) Differ from the previous year's annual adjustment by more
8 than three percent.

9 (3) For the purposes of this section, "index" means, for any
10 calendar year, that year's average consumer price index, Seattle,
11 Washington area for urban wage earners and clerical workers, all
12 items, compiled by the bureau of labor statistics, United States
13 department of labor.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 41.40
15 RCW to read as follows:

16 (1) Beginning July 1, 2022, and every year thereafter, the
17 department shall determine the following information for each plan 1
18 retired member or beneficiary whose retirement allowance has been in
19 effect for at least one year:

20 (a) The original dollar amount of the retirement allowance as of
21 June 30, 2022, or the effective date of retirement, whichever is
22 later;

23 (b) The index for the calendar year prior to July 1, 2021, or the
24 effective date of the retirement allowance, whichever is later, to be
25 known as "index A";

26 (c) The index for the calendar year prior to the date of
27 determination, to be known as "index B"; and

28 (d) The ratio obtained when index B is divided by index A.

29 (2) The value of the ratio obtained is the annual adjustment to
30 the original retirement allowance and must be applied beginning with
31 the July payment. In no event, however, may the annual adjustment:

32 (a) Produce a retirement allowance which is lower than the
33 original retirement allowance;

34 (b) Exceed three percent in the initial annual adjustment; or

35 (c) Differ from the previous year's annual adjustment by more
36 than three percent.

37 (3) For the purposes of this section, "index" means, for any
38 calendar year, that year's average consumer price index, Seattle,
39 Washington area for urban wage earners and clerical workers, all

1 items, compiled by the bureau of labor statistics, United States
2 department of labor.

3 NEW SECTION. **Sec. 3.** This act takes effect July 1, 2022.

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